The Gas Company

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By Fax, (714) 437-5051, four pages

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Re: **Chino Peaking Station, Firm Service Request & Reply**

Dear Jay:

Thank you for your request concerning gas transportation service to your future peak generating plant located next to OLS-Chino.

As requested, we have researched our ability to serve your future peaking plant based on the location you described which is just west of the existing OLS-Chino plant and adjacent to the south side of Eucalyptus Avenue.

As instructed, our review was performed assuming a plant using 50 MMcfd of natural gas, and served at whatever pressure is available in our upstream facilities. A histogram of the pressure we experience upstream of your area is provided for your convenience. Engineering indicates that SCG experiences pressure levels that range from 390 to 845 psig upstream of your future meter.

SoCalGas can provide firm transportation service to your future site. Of course, a commitment to provide firm service to your future plant would be subject to both parties completing and executing an interconnection contract and gas transportation contract. To get your project moving prior to completion of formal contracts, we suggest that we use our tariff Collectible Work Authorization form to start the evaluation of any environmental conditions, start the right of way analysis, and research any substructure issues in the path of the future interconnection. A copy of an example CWA is included for your review and action.

Our initial analysis indicates that we could not serve all four of your new turbines through the existing OLS-Chino facilities. It appears that only one new turbine could be served through the existing line, albeit at a slightly lower pressure. Delta will need to provide specific peak hour maximum gas requirements for each turbine in order for SCG to provide a more detailed analysis. Also, as recently mentioned, if Delta would

like to incorporate duct burners, please indicate the maximum peak hour gas flow for this equipment.

Our analysis to date indicates that it appears that the best way to serve all four of your incremental generators is to build a 10 inch diameter service line initiating from our existing facilities in Central Avenue, and transverse one-half mile east along Eucalyptus Avenue to the future plant site.

We estimate that the direct cost for building this line to be $240,000. Applying an estimate for indirect cost of 20%, the subtotal of direct and indirect equates to $288,000. Applying the federal and state Contribution in Aid of Construction income tax, currently 35% gross-up, the total project cost is estimated to be $389,000.

Assuming the appropriate contracts are completed, and the necessary deposits are received, SCG is confident that if given a three month lead time we could connect your new facilities and have gas flowing by September 1st. This completion estimate is based on our current construction project forecast. SoCalGas will use commercially reasonable efforts to establish gas service to your incremental facilities.

For your information, we invite you to review and analyze SoCalGas Rules 20 & 21. These California Public Utilities Commission approved rules define how we connect new customers to our system. These rules and all of our rates, schedules and tariffs are available on our website, www.socalgas.com.

Thank you for your consideration and we are looking forward to meeting your service needs.

Regards,

Enclosures: 1) Pressure histogram, southern system, Palm Springs area,
2) Collectible Work Authorization form